

## Message Text

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PAGE 01 JIDDA 04173 060448Z  
ACTION NEA-11

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10  
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11  
SOE-02 AID-05 CEA-01 COME-00 EB-08 DOE-15 INT-05  
OMB-01 OES-07 STR-07 TRSE-00 ACDA-12 FMC-01  
DOTE-00 /129 W  
-----080903 060608Z /11

R 051257Z JUN 78  
FM AMEMBASSY JIDDA  
TO SECSTATE WASHDC 2266  
INFO AMEMBASSY ABU DHABI  
USINT BAGHDAD  
AMCONSUL DHAHRAN  
AMEMBASSY DOHA  
AMEMBASSY KUWAIT  
AMEMBASSY MANAMA  
USLO RIYADH

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E.O. 11652: N/A  
TAGS: EWWT  
SUBJECT: SAUDIS PLAN TANKER, DRY CARGO SHIPPING COMPANIES

REF: JIDDA 1787

1. WHILE FORMATION OF SAUDI NATIONAL TANKER COMPANY  
REMAINS AS DESCRIBED IN REFTEL, A NATIONAL COMPANY FOR DRY  
CARGO SHIPMENT HAS JUST BEEN FORMED. CALLED THE SAUDI  
NATIONAL COMPANY FOR MARINE TRANSPORTATION, THE NEW COMPANY  
WILL BE CAPITALIZED AT SR 500 MILLION (APPROXIMATELY  
\$145 MILLION) AND WILL BE 25 PERCENT OWNED BY THE GOVERNMENT,  
30 PERCENT BY THE FOUNDING SAUDI MEMBERS, AND 40  
PERCENT BY FUTURE STOCK ISSUE TO THE PUBLIC. THE  
30 PERCENT FOUNDERS' SHARE HAS ALREADY BEEN OVER-  
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PAGE 02 JIDDA 04173 060448Z

SUBSCRIBED TO THE 60 OR MORE SAUDI BUSINESSMEN (SHIPPING  
AGENTS, IMPORTERS, GENERAL MERCHANTS) WHO ATTENDED  
THE MEETING AT WHICH THE COMPANY WAS LAUNCHED. THE  
GOVERNMENT WILL HAVE THREE MEMBERS (REPRESENTING THE  
MINISTRIES OF FINANCE, TRANSPORT, AND COMMERCE) ON THE  
SEVEN-MAN BOARD, PRESUMABLY BECAUSE OF ITS KEY ROLE  
IN STARTING THE COMPANY AND IN ITS EXPECTED FINANCING

THROUGH THE PUBLIC INVESTMENT FUND.

2. FORMATION OF THE COMPANY HAS NOT CLARIFIED MANY OF THE POLICY QUESTIONS IMMEDIATELY POSED. THE COMPANY'S RELATIONSHIP TO THE UNITED ARAB SHIPPING CO. (UASC), WHICH IS AT LEAST NOMINALLY NATIONAL FLAG CARRIER, BUT JOINTLY OWNED BY OTHER ARAB STATES), IS, FOR EXAMPLE, UNCLEAR. WHAT KIND OF FLEET THE COMPANY WILL OPERATE (OR BE PERMITTED TO OPERATE UNDER THE ARTICLES OF UASC) ALSO IS UNKNOWN. SHIPS OWNED BY THE COMPANY WOULD PRESUMABLY BENEFIT FROM EXISTING BUNKERING PRICE ADVANTAGES FOR SAUDI DRY CARGO SHIPS, BUT WHETHER THEY WOULD GET CARGO PREFERENCES AS WELL IS UNCLEAR. FINALLY, THOUGH THE COMPANY IS TO BE 100 PERCENT SAUDI-OWNED, ITS POSSIBLE CONTRACTS, SHIP CHARTERS, ETC.) APPEAR TO BE UNDEFINED. WEST

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CARGO HANDLING, MARINE TRANSPORTATION, ESTABLISHMENT OF OFFICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978JIDDA04173  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780235-0608  
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**Litigation History:**  
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**Message ID:** e1913d92-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 JIDDA 1787  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 2493374  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SAUDIS PLAN TANKER, DRY CARGO SHIPPING COMPANIES  
**TAGS:** EWWT, SA, SAUDI NATIONAL TANKER COMPANY  
**To:** STATE  
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**Review Markings:**  
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